GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2957
ANSWERED ON:17.12.2004
MFN STATUS TO PAKISTAN
Rawale Shri Mohan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has conferred most favoured Nation Status upon Pakistan unilaterally whereas Pakistan has not reciprocated in the same spirit;

(b) if so, the reasons therefor;

(c) the number of items in which Pakistan has extended custom duty concession on India and vice versa; and

(d) the steps taken to bring parity in customs duty concessions so as to enjoy equal benefits?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) & (b) : Whereas India has conferred Most Favoured Nation (MFN) Status on Pakistan, that country has yet to confer the same status on India. Even though Pakistan`s denial of this status is violative of WTO Agreement, India has, however, been availing every opportunity to impress upon Pakistan to confer MFN status to us.

(c) & (d) : India and Pakistan have exchanged tariff concessions in four rounds of trade negotiations under the Agreement on SAARC Preferential Trading Arrangement (SAPTA). During the first three Rounds of these negotiations, India granted concessions on a total number of 477 tariff lines (6-Digit HS) to Pakistan with an average tariff concession of 20%, whereas Pakistan granted concessions on 262 tariff lines to India. During the bilateral negotiations between India and Pakistan under the 4th Round concluded on 2-3rd December, 2003 at SAARC Secretariat, Kathmandu, India agreed to grant concessions to Pakistan on a total number of 262 tariff lines ranging from 10-20% while Pakistan agreed to grant concessions on 223 tariff lines ranging from 10-20%. These concessions, in future, will be exchanged and negotiated keeping in mind the export interest of India and the principles of reciprocity.